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The promotion and enhancement of a coordinated response of the United Nations development system and the specialized agencies in the follow-up to and implementation of the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development

Report of the Secretary-General

Summary

The present report is submitted in pursuance of Economic and Social Council decision 2009/258 on the follow-up to paragraph 56 of the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development. It focuses on initiatives that represent a United Nations system-wide coordinated response to the crisis. Such response by the United Nations system, which began towards the end of 2008, is led by the United Nations System Chief Executives Board for Coordination.

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Contents

		Page
I.	Mandate	3
II.	Process of elaborating a United Nations common response to the world economic and financial crisis	3
III.	Establishment of nine joint crisis initiatives of the United Nations System Chief Executives Board for Coordination	7
	A. Overview	7
	B. Joint United Nations system initiatives	9
IV.	Operationalization of the United Nations coordinated response	13
V.	Conclusion	15
Annex		
	Communiqué of the United Nations System Chief Executives Board for Coordination of 5 April 2009	17

I. Mandate

1. In its resolution 63/303, the General Assembly endorsed the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, annexed to the resolution. In paragraph 56 of the outcome document, the Economic and Social Council was requested to consider a number of follow-up measures that would strengthen the response by the United Nations to the economic and financial crisis.

2. At its substantive session of 2009, the Council adopted decision 2009/258 on the follow-up to paragraph 56 of the above-mentioned outcome document, in which it requested the Secretariat to provide a detailed report on the promotion and enhancement of a coordinated response of the United Nations development system and the specialized agencies in the follow-up to and implementation of the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, in order to advance consistency and coherence in support of consensus-building around policies related to the world financial and economic crisis and its impact on development. The present report is submitted in pursuance of that request.

3. In the same decision, the Council requested the Secretariat to provide reports on the implementation of the agreements between the United Nations and the Bretton Woods institutions and on the possible establishment of an ad hoc panel of experts on the world economic and financial crisis and its impact on development. The present document should be read in conjunction with these two other reports.

4. The enhancement of a coordinated response by the United Nations system is a process that requires the elaboration of a shared analytical framework on the crisis and its impact on development, around which all actors can develop common approaches. Mechanisms have also been set up to organize this system-wide response and provide for a structured follow-up. Finally, the operationalization of the United Nations response requires guidance for the work of the system at the country level. Many of the United Nations entities have taken significant steps at the analytical and operational levels to respond to the crisis. The present report focuses on those initiatives which represent a United Nations coordinated response.

II. Process of elaborating a United Nations common response to the world economic and financial crisis

5. The global financial and economic crisis, the most severe synchronized economic downturn that the global community has experienced in the past seventy years, has been at the top of the agenda of the United Nations system over the past year. In June, in the above-mentioned outcome document, world leaders called on United Nations system agencies to respond by action or with technical expertise to a

number of strategic economic challenges that will remain high on the international agenda as it relates to financing for development and macroeconomic issues.[1]

6. A process of elaborating a United Nations common response, which began towards the end of 2008, has led to shared policy analysis on the crisis. These mechanisms have enabled a rapid response by the United Nations system in the follow-up to and implementation of the outcome document of the World Conference. The United Nations System Chief Executives Board for Coordination (CEB) has been the driving force in this process.

7. As early as October 2008, CEB initiated a review of the implications of the financial markets crisis, when it was clear that the crisis had begun to take on serious global dimensions and to impact real economies and livelihoods. In its approach, CEB recognized that the major challenges facing the international community as a result of the crisis included: (a) a significant danger that progress in achieving the Millennium Development Goals would be reversed; (b) further millions of people trapped in poverty in developing countries; (c) a fall in global trade in 2009 for the first time in 27 years; (d) worldwide increases in unemployment in 2009 and the expectation that, even with a return to positive growth in 2010, unemployment and underemployment would still remain high for several years to come; (e) a fall in investment growth in the developing world in 2009; (f) an expectation that commodity prices, while having fallen from their historic levels, would remain higher than during the 1990s for the next 20 years; (g) a decline in global gross domestic product (GDP) in 2009; and (h) expectations that human development impacts would be severe as individuals and households were pushed into poverty and malnutrition, disproportionately affecting the already vulnerable, while government revenues would fall precisely when safety nets needed to be made more effective.

8. The Board also recognized that while the crisis impacted all countries, it was those who were least responsible — the poor in developing countries — who would feel its most serious repercussions. Against this background, it became imperative for the Board to formulate a united strategy for action that would attempt to prevent the financial crisis from becoming a human crisis. The CEB response to the challenges facing the international community is described below.

9. At its session held on 30 September and 1 October 2008 in Rome, the CEB High Level Committee on Programmes agreed that the work of the system should focus on how the crisis impacted the lives of people, as well as on the threat of social dislocation that could lead to political unrest. At its subsequent session (Geneva, 26-27 February 2009), the Committee reviewed proposals on the global financial crisis and its impact on the work of the United Nations system by its Chairman, the Director-General of the International Labour Organization (ILO), drafted on the basis of written contributions from Committee members. The

[1] This includes, inter alia, a commitment to reforming and strengthening the international financial and economic system and architecture, as appropriate, to adapt to current challenges; the need to expand the perimeter of national and international financial regulation and supervision; the timely implementation of existing aid commitments and improvements in aid effectiveness; the need to further strengthen domestic tax systems and international cooperation in tax matters, and the need to resist unfair and discriminatory treatment of migrant workers and the imposition of unreasonable restrictions on labour migration, while complying with the relevant national legislation and applicable international instruments.

Committee discussed how the United Nations system could organize itself and work together, with a view to supporting the capacity of Governments and other stakeholders to deal with the crisis.

10. The Committee noted that the crisis had moved from the financial sector to the real economy, possibly eventually leading to a social recession. The United Nations system had long pointed out that globalization had not always been fair and inclusive. Prevailing policies had overvalued the role of markets, undervalued the role of Governments and devalued social, environmental and other factors. For a sustainable solution to the crisis, it was necessary to maintain a focus on people as well on the humanitarian and social aspects.

11. The Committee's considerations grouped several dimensions of the crisis and their impact in key policy areas, highlighting the connections within and across them. It also recognized the need to identify the gaps that had to be addressed. While none of the 28 organizations of the United Nations system that make up CEB have the mandate for, or is equipped to, deal with the crisis in all its facets on its own, the multidimensional nature of the crisis provides an important opportunity to harness the potential for synergies across the United Nations system and the organizations that make up CEB. The Committee articulated nine joint initiatives for action at the global, regional and country levels and proposed an action framework for CEB as a coherent United Nations system response. Lead and cooperating agencies were identified to take the work of developing joint United Nations system initiatives for each of the priority areas identified forward, based on a sustainable development approach.

12. At the CEB spring session retreat held in Paris on 4 April 2009, members undertook a detailed discussion on the dimensions of the crisis and possible responses by the United Nations system. In the communiqué issued following the session (see annex to the present report), the Board emphasized that the social effects of the crisis were already disturbing and could worsen. The Board considered it imperative that the global financial and economic crisis should be tackled head-on and be turned into an opportunity for a sustainable future. The multilateral system, which had an important role to play in articulating and delivering a global and coherent response to the crisis and in translating it into action at the country level, should deploy all of its resources and capacities in a rapid and effective response, while upholding the principles, values and goals to which the international community was committed. Responding to the crisis required a coherent and comprehensive strategy which rallied the knowledge, experience, strengths and capacities of the entire system and enhanced the interaction and cooperation that would allow the multilateral system to make a bold, comprehensive and coherent response to the crisis in its multiple dimensions: globally, regionally and nationally.

13. In the light of the above, and cognizant of the various mandates and responsibilities of the organizations of the United Nations system, CEB endorsed nine joint initiatives to assist countries and the global community to confront the crisis, accelerate recovery, and build a fair and inclusive system of globalization based on sustainable economic, social and environmental development for all, while facing the future in a spirit of conviction of the need for transformational change.

14. A CEB issue paper,[2] describing the nine initiatives, was circulated to all Permanent Missions in New York on 18 June 2009, to assist Member States with their preparations for the Conference on the World Financial and Economic Crisis and Its Impact on Development, held from 24 to 26 June 2009. The paper had previously been distributed to members of the Economic and Social Council at a panel discussion on the global financial crisis and its impact on development, held in the Council on 22 April 2009 with participants from the United Nations Development Programme (UNDP), the United Nations Capital Development Fund, the World Food Programme (WFP) and ILO.

15. In addition, a note building on the issue paper was presented by the Department of Economic and Social Affairs of the Secretariat to the Group of Eight Development Ministers' meeting held in Rome in June 2009. The note, entitled "Policy coordination and coherence: strengthening effective crisis responsiveness for sustainable human development" also includes analysis on the implications for international cooperation for development and on mechanisms for global coordination.

Work of the Executive Committee on Economic and Social Affairs in support of the United Nations system

16. Another important element in the elaboration of a coordinated response by the United Nations system was the preparation by the Executive Committee on Economic and Social Affairs of a strategy paper to support the Secretary-General's preparation for and participation in the London Summit of the Leaders of the Group of Twenty, on 2 April 2009. This strategy paper later provided the basis for the report of the Secretary-General for the Conference on the World Financial and Economic Crisis and Its Impact on Development held in June 2009 (A/CONF. 214/4). The report contains analytical sections on the origins and causes of the present crisis, the transmission mechanisms and the impact of the crisis on development. It also reviews the global responses to the crisis, by the United Nations system and other international actors, and stresses the need for systemic reform, with specific recommendations.

17. The Executive Committee on Economic and Social Affairs, as the coordinating body for economic and social issues in the United Nations Secretariat, has since then continued to promote a coherent and coordinated response to the crisis by its member entities and partners.[3] The underlying strength of the Executive Committee's contribution to the coherent and coordinated response of the United Nations to the global financial and economic crisis derives from its ongoing cooperation on macroeconomic analysis of the global economic situation and outlook, including in the preparation of the annual joint publication *World Economic Situation and Prospects* and its mid-year update, drawing in particular on the

[2] "The global financial crisis and its impact on the work of the United Nations system", available from http://www.un.org/ga/econcrisissummit/docs/CEB_Paper_final_web.pdf.

[3] The Executive Committee membership comprises the Department of Economic and Social Affairs, the regional commissions, UNCTAD, UNEP, UN-Habitat, United Nations Office on Drugs and Crime, OHCHR, UNDP, Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and Office of the Special Adviser on Africa and also includes the United Nations University and the research/training institutes INSTRAW, the United Nations Research Institute for Social Development and UNITAR.

specific areas of expertise in the Department of Economic and Social Affairs, the regional commissions and the United Nations Conference on Trade and Development (UNCTAD).

18. In addition, there is a coordinated initiative to provide vulnerable Member States with policy support to complement their national development strategies. The Department of Economic and Social Affairs has already developed country-wide macro models that can be used to assess possible impacts of the financial and economic crisis and suggest policy alternatives.

III. Establishment of nine joint crisis initiatives of the United Nations System Chief Executives Board for Coordination

A. Overview

19. Taken together, the joint crisis initiatives established by CEB serve as a strategic framework for facilitating the United Nations system's operational response in support of development strategies addressing vulnerabilities caused or exacerbated by the global financial and economic crisis. They constitute an organizing framework for a coordinated system-wide response in relation to the outcome document of the Conference of the World Financial and Economic Crisis and its Impact on Development. The initiatives are built upon a commitment by the United Nations system's leaders to deliver as one in assisting countries and the global community to confront the crisis, accelerate recovery and build a fair and inclusive globalization allowing for sustainable economic, social and environmental development for all, while facing the future in a spirit of conviction of the need for transformational change.

20. Each of these nine initiatives is led by one or more CEB member organizations with the relevant competence, with the voluntary participation of others who are contributing from their various perspectives (see table). The initiatives clearly highlight that unless urgent action is taken, the crisis will have devastating effects for the most vulnerable people, with growing social insecurity and displacement. They have at their centre the commitments to ensure that the Millennium Development Goals and other internationally agreed development goals are met, and that a path to recovery also builds upon measures to safeguard the planet's climate. They address the linkages between policy prescriptions at the global level and implementation based on country needs and priorities. Specific focus will be placed in each area on concrete crisis-related activities. It is foreseen that as the initiative evolves it will increasingly focus on those initiatives that are well articulated and deliverable. A brief description of the content of each initiative appears below.

Joint crisis initiatives

Initiative	*Lead agencies*	*Cooperating agencies*
1. Additional financing for the most vulnerable	UNDP and World Bank	All relevant agencies with large field presence in vulnerable countries
2. Food security	FAO, IFAD, United Nations and WFP	All relevant agencies with large field presence in vulnerable countries
3. Trade	UNCTAD and WTO	World Bank, IMF, International Trade Centre, UNDP, UNIDO, United Nations regional commissions and UNITAR
4. Green Economy Initiative	UNEP	FAO, ILO, IMO, United Nations regional commissions, UNCTAD, Department of Economic and Social Affairs, UNDP, UNESCO, UN-Habitat, UNIDO, WFP, WHO, WIPO, WMO, World Bank, WTO, CBD and United Nations Framework Convention on Climate Change
5. Global Jobs Pact	ILO	FAO, IMF, IMO, ITU, United Nations regional commissions, UNCTAD, UNDP, UNEP, UNFPA, UNIDO, UNWTO, UPU, WIPO and World Bank
6. Social protection floor	ILO and WHO	FAO, IMF, OHCHR, United Nations regional commissions, UNAIDS, Department of Economic and Social Affairs, UNDP, UNESCO, UNFPA, UN-Habitat, UNHCR, UNICEF, UNODC, UNRWA, WFP, WMO and World Bank

Initiative	*Lead agencies*	*Cooperating agencies*
7. Humanitarian, security and social stability	WFP	IAEA, ILO, OHCHR, UNHCR, UNICEF, UNODC, UNRWA, WHO, WMO and UNFPA
8. Technology and innovation	ITU, UNIDO and WIPO	ECLAC, UNCTAD and UNESCO
9. Monitoring and analysis	Deputy Secretary-General of the United Nations, Department of Economic and Social Affairs and IMF	All agencies

Abbreviations: CBD, Convention on Biological Diversity; ECLAC, Economic Commission for Latin America and the Caribbean; FAO, Food and Agriculture Organization of the United Nations; IAEA, International Atomic Energy Agency; IFAD, International Fund for Agricultural Development; ILO, International Labour Organization; IMO, International Maritime Organization; ITU, International Telecommunication Union; OHCHR, Office of the United Nations High Commissioner for Human Rights; UNAIDS, Joint United Nations Programme on HIV/AIDS; UNDP, United Nations Development Programme; UNEP, United Nations Environment Programme; UNESCO, United Nations Educational, Scientific and Cultural Organization; UNFPA, United Nations Population Fund; UN-Habitat, United Nations Human Settlements Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNIDO, United Nations Industrial Development Organization; UNODC, United Nations Office on Drugs and Crime; UPU, Universal Postal Union; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNWTO, United Nations World Tourism Organization; WFP, World Food Programme; WHO, World Health Organization; WIPO, World Intellectual Property Organization; WMO, World Meteorological Organization; WTO, World Trade Organization.

B. Joint United Nations system initiatives

1. Additional financing for the most vulnerable

21. To support the implementation of an ambitious and effective framework of action as proposed by CEB, the United Nations system must bring together its funding and operational capacities in a coherent and concrete implementation approach. This approach should be based on commitment by the United Nations country teams and the World Bank to implement a comprehensive country-level crisis response to respond to the challenge of the crisis in the most vulnerable countries and populations. Tailoring solutions to the country's needs is key, given that the reality of the crisis is on the ground and differs according to the country situation. The process must be country-driven and country-owned. The crisis response mechanism should also identify: (a) overall budgetary needs and prepare a budgetary framework; (b) key organizations that lead in these areas; (c) existing sources of income and items to be covered by funded organizational programmes; (d) new sources of funding such as the World Bank Vulnerability Fund Facility and funding to address food security issues; and (e) remaining financial gaps and the interest of countries to establish country-level multi-donor trust funds. The crisis

response mechanism should further analyse the use of existing sources of funding. The mechanism should also prepare a resource-mobilization strategy and review over time the possibility of a mechanism to provide additional funding to country-level programmes centrally. In addition, vulnerable countries should be appropriately supported with technical assistance to strengthen national institutions and capacities to implement policies. A major requirement is to enhance capacities at the country level for formulation and implementation of the comprehensive country-level crisis response. The capacity-development effort should be at the national as well as local levels, within Governments as well as civil society.

2. Food security

22. The Food Security Initiative builds on the work of the Secretary-General's High-level Task Force on the Global Food Security Crisis, established by CEB in April 2008, and, specifically upon the Comprehensive Framework for Action. The work of the Task Force has been retuned to take account of the aspects of the crisis that directly impinged on food security. It articulates a series of outcomes required to address the global food crisis and introduce greater food and nutrition security globally, within the broad framework of "the right to food". The rationale for this initiative is clear — a billion people in the world are hungry, unable to acquire the quantity and quality of food they require. As a result, every six seconds, a child dies of malnutrition. Food prices in developing countries remain volatile and the number of hungry is increasing as their purchasing power is further threatened by the global financial situation. The vulnerability of households, Governments and the international system to food and nutrition in security is heightened and broad action is urgent, in support of building a governmental response and adaptation in this field. The seven action points under this initiative reflect the ongoing work of the Task Force and its members as well as the provisions of the Comprehensive Framework for Action and include: (a) food assistance, including safety nets; (b) nutrition programmes for children, mothers and vulnerable populations; (c) social protection systems for vulnerable populations; (d) smallholder farmer food productivity, with a primary focus on women farmers; (e) agricultural sector development, infrastructure and trade and tax policies; (f) information and monitoring systems; and (g) advocacy for sufficient, sustained and predictable funding and sustained investments.

3. Trade

23. The volume of world trade is projected to contract sharply in 2009 as a result of a collapse in global demand and of shortages of trade finance, thus creating constraints to export growth in many developing countries. This already serious situation risks being compounded by an increase in protectionist measures. The effects of the banking and financial crisis on international trade have, furthermore, led to the tightening of liquidity. The sharp deterioration of global economic prospects has further triggered a re-assessment of credit risk, entailing a sharp increase in the cost of credit, insurance and guarantees for trade operations, in particular for developing countries and the least developed countries. With the crisis constraining the budgets of donors, there is also a risk that commitments in the area of Aid for Trade will not be honoured. Responding to these developments, the Trade Initiative will in the short term monitor trade and investment developments to counter protectionism; regularly convene relevant stakeholders and prepare periodic

reports on the situation of trade finance markets to foster transparency and best practices and ensure delivery of commitments; convene World Trade Organization members to advance the conclusion of the Doha Development Round, which would contribute to reviving economic growth around the world; and advocate and make the case for maintaining Aid for Trade.

4. Green Economy Initiative

24. The Green Economy Initiative responds to the development challenges and imbalances in growth strategies that underlie the current crisis by motivating policymakers in all countries to give green investments sufficient space in their counter-cyclical policies and thus reduce the threat of further food, water, energy, ecosystem and climate crises, which have disproportionate impacts on the poor. The Initiative aims to demonstrate that investing in green sectors — such as energy efficient technologies, renewable energy, public transport, sustainable agriculture, environmentally friendly tourism, and sustainable management of natural resources including ecosystems and biodiversity — has a better chance to bring about recovery and sustainable growth, increase competitiveness, save and create jobs, improve the quality of jobs, and reduce poverty, while tackling acute environmental problems. It also aims to identify the policy and institutional framework that is needed to support rather than undermine such investments and the greening of economic growth in all countries, taking into account national and regional conditions, special characteristics, capacities and needs.

5. Global Jobs Pact

25. The Global Jobs Pact Initiative aims at focusing the attention of decision makers on employment measures and decent work as the foundation for long-term recovery. The Initiative highlights that the multiplier effects of investments in employment-intensive areas are higher than those of alternate measures such as tax cuts. The key components of a Global Jobs Pact, namely employment promotion and social protection, would also help to reinforce global demand. The Global Jobs Pact includes a range of crisis-response measures that countries can adapt to their specific needs and situation. It is not a one-size-fits-all solution, but a portfolio of options based on successful examples, also designed to inform and support action at the multilateral level. It calls on Governments and organizations representing workers and employers to work together to collectively tackle the global jobs crisis through policies in line with the ILO Decent Work Agenda. The Pact urges Governments to consider options such as public infrastructure investment, special employment programmes, broadening of social protection and minimum wages. Particularly in developing countries, such measures can reduce poverty, increase demand and contribute to economic stability. Donor countries and multilateral agencies are called on to consider providing funding, including existing crisis resources for the implementation of the Pact's recommendations and policy options.

6. Social protection floor

26. The global economic and financial crisis threatens to roll back decades of investment in health and human development. In the long term, it could lead to significant challenges to social stability, peace and security in various parts of the world. Social protection coverage is particularly low in many developing countries. Support is needed to protect those fundamental elements of society — education,

nutrition, health, social services, protection against natural disasters, the sciences, culture and communication — that make human development possible but which are often the first to be hit in a recession. The Social Protection Floor Initiative is based on the premise that, once undone, progress on development goals cannot easily be recovered without considerable reinvestment and political recommitment. Human development is a long-term investment carrying high long-term individual and social returns. The aim of this initiative is, therefore, to advocate for and advise on the provision of a social protection floor and public resource spending in ways that will both kick-start growth and support more inclusive and sustainable social and economic development. The Social Protection Floor Initiative sees the current crisis as an opportunity to encourage and support countries to review policies and strategies for social transfers and access to needed services, aligning them along the principles of inclusion, equity and social justice as a major way of investing out of the crisis and achieving long-term stability.

7. Humanitarian, security and social stability

27. Though not obvious at first sight, with the crisis now hitting the real economy and virtually all spheres of society, the world as a whole could rapidly become a much more dangerous place to live in. This in turn could exacerbate the overall impact of the crisis and hamper recovery plans, feeding back to even more humanitarian, security and social instability leading the world into a worrying vicious cycle. Concerted action of an international scope is, therefore, required to address looming, underlying, and potentially dangerous forces that, if not tackled urgently, could have serious future costs and consequences. The Humanitarian Security and Social Stability Initiative aims at drawing the attention of decision makers to the impact of the ongoing crisis on the world's humanitarian security and social stability through a holistic approach that requires concerted action.

8. Technology and innovation

28. History shows that a period of economic recovery can greatly benefit from the presence of entrepreneurial spirit and innovative ideas. In the present crisis, technology, innovation and creativity will, therefore, be critical in providing opportunities for recovery, leading to a more dynamic, eco-friendly, sustainable and diversified global economy. Information and communication networks are the new engine of the modern global economy, and need to be consistently strengthened and expanded. Technological innovation, investment incentives and strong legal frameworks are essential to sustainable post-crisis growth. In order to promote such development, the Technology and Innovation Initiative in the short-term aims to: (a) monitor the impact of the crisis on developments in science and technology; (b) support the needs of industry to help it to navigate the crisis, for example, through investment promotion offices, training in information and communication technologies and networks, and assistance with management of intellectual property rights; (c) develop technical and vocational education, learning and training in the area of science, technology and innovation, notably in poor and developing regions; (d) develop patent landscaping, which will provide access to patent information and related technological information disclosed in scientific journals, as well as products and technology analysis reports; and (e) foster intellectual property rights training initiatives for the promotion of innovation through a more active and efficient use of patent and technology information.

9. Monitoring and analysis

29. The capacity of countries to respond to the multifaceted challenges of the crisis is uneven and also depends on adequate and relevant information on a range of economic, social, environmental and political developments and trends. The challenge facing the United Nations system is to mobilize and make available relevant information for decision-making in a form that is usable, reliable, accurate, regular and timely, in particular to inform decision makers on emerging and developing vulnerability of countries and peoples around the world. The monitoring and analysis aspect of the CEB joint crisis initiatives is based on three pillars: (a) the Global Impact and Vulnerability Alert System (GIVAS); (b) the Integrated Monitoring and Analytical System for Crisis Response; and (c) monitoring economic and financial policies — IMF surveillance.

30. GIVAS aims to fill the information gap that currently exists between the point when a global crisis impacts vulnerable populations and when solid quantitative information reaches decision makers through official statistical channels. The added-value of the System will be the compilation of real-time data and analysis from a variety of reliable sources covering multiple dimensions of vulnerability that will help the international community to respond in a more effective and timely fashion. The Integrated Monitoring and Analytical System for Crisis Response in turn tries to address three challenges: (a) to bring existing information together into an effective monitoring framework that allows for real-time assessments; (b) to analyse risks related to different types of shocks, their transmissions, and likely effects on developing countries and various population groups; and (c) to inform policymakers so that they can design adequate responses and to monitor the effectiveness of the policy actions taken. The initial focus will be on monitoring the impact of the present crisis on vulnerable countries and populations, but its overall design will be one that will serve monitoring purposes beyond this crisis and should allow for the monitoring of different types of shocks and how these affect economies, social groups and the natural environment in different ways. The integrated monitoring framework will serve as a part of the broader GIVAS. Finally, a key aspect of the monitoring economic and financial policies — IMF surveillance, is the monitoring of economic and financial policies and of key systemic risks. In addition to the efforts to resolve the present global economic and financial crisis, steps to prevent its recurrence are gaining importance. IMF surveillance is, therefore, a key tool of international economic and financial monitoring and a potent platform of global economic policy coordination.

IV. Operationalization of the United Nations coordinated response

31. To enhance the coordinated response by the United Nations system to the world crisis, in line with the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development, it is important to elaborate on the interlinkages among the nine joint crisis initiatives and on their implementation. Understanding the complexities of the interconnectedness between these areas will require more analytical work from the United Nations system. The *World Economic and Social Survey 2010*, which will focus on policy coherence and international development cooperation, will be a valuable exercise in that context. While strengthening in-house development research capacity will be necessary to enhance the United Nations capacity in this field, the proposed ad hoc panel of

experts on the world economic and financial crisis and its impact on development can also contribute to this objective (see E/2009/113).

32. The operationalization of the joint crisis initiatives includes advocacy at the global level, regional coordination as well as operational activities in response to the specific needs at the country level, and will involve relevant United Nations system organizations and mechanisms with the leadership of the convening agencies in each area. It also requires progress in the agenda of United Nations reform at the operational and intergovernmental level. Increased policy coherence will also require closer collaboration with the Bretton Woods institutions. In that respect, attention is drawn to the report submitted simultaneously to the Economic and Social Council in pursuance of decision 2009/258.

33. A meeting of the lead agencies of the nine CEB joint crisis initiatives was convened on 7 July 2009 in Geneva to define a common framework for operationalizing the respective initiatives. The meeting took stock of the progress in each of the initiatives, most of which are new, while others — such as food security and the Green Economy Initiative — build on ongoing structures which gained new importance and focus as a response to the crisis. It was agreed that the leaders of the initiatives, focusing on the crisis dimensions, would move forward with their work in collaboration with the cooperating organizations. The discussion underscored an emphasis on the country level — country ownership of policies, the issue of capacity-building, and the need for more information on vulnerabilities within countries. Some initiatives, such as the Global Jobs Pact, were ready to be made available to Governments. Within the CEB structure, interaction between the High-level Committee on Programmes and the United Nations Development Group (UNDG) was important to that end.

34. On 14 and 15 July of 2009, the UNDG Advisory Group met in Geneva at the Assistant Secretary-General and Principals level, respectively, to discuss how UNDG can operationalize the global thinking on the economic and financial crises. There was full consensus in the Advisory Group on the need for the United Nations system to act with urgency and not to lose momentum. It was agreed that UNDG would facilitate the operationalization of the nine joint crisis initiatives by consolidating the support that each agency can offer United Nations country teams under each initiative and setting up a system through which agencies can access this support.

35. The Advisory Group agreed that least developed countries and low-income countries will be the first priority for countries to receive Headquarters and regional technical support on the crisis initiative areas, recognizing that other countries with large numbers of vulnerable people may also need early attention.

36. An initial letter from the UNDG Chair was sent out on 1 September to alert United Nations country teams that the initiative was under way. The letter called for United Nations country teams to strategically respond to the crises by applying the nine CEB joint crisis initiatives building on a long-term approach. United Nations country teams were encouraged to undertake the joint crisis initiatives on the basis of a clear indication of interest and the full participation of the Government. In responding to the emerging needs, United Nations country teams were asked to apply programme guidance, including the United Nations Development Assistance Frameworks, in a flexible manner to reposition the United Nations interventions on the ground.

37. Based on each country's needs, government leadership and priorities, and building on the work already done, United Nations country teams, in partnership with the World Bank and IMF, as well as other interested partners, were urged to: (a) assess collectively critical needs arising from the current crises, making full use of all partners' existing, ongoing and planned analyses, to identify critical gaps; (b) formulate a set of interventions to address those gaps, identify potential synergies across interventions and programmes and confirm key organizations to lead support to Government in those areas; and (c) identify overall budgetary needs and existing and/or potential sources of funding, including any items to be funded by existing programmes or by scaling up existing programmes.

38. In the letter the UNDG Chair assured United Nations country teams of the UNDG commitment to provide coordinated support on a prioritized basis.

39. In parallel to the above, UNDG had continued to support efforts to enhance coherence at the country level as per the triennial comprehensive policy review 2007 mandate. A more efficient, effective and coherent United Nations development system can better respond to the changing dynamics at the country level. The recent efforts of UNDG have been aimed at facilitating United Nations country teams to operationalize the United Nations Development Assistance Framework in a coherent, coordinated and flexible manner, with greater transparency for all partners. UNDG has also stepped up efforts to strengthen the culture of managing for results through developing tools for common results reporting to national authorities. It has placed more emphasis on scaling up support, on a demand basis to countries, and drawing on its vast knowledge base and technical resources more effectively. UNDG has continued to make concrete advances in strengthening the Resident Coordinator system as the main vehicle for enhanced system-wide coherence at the country level. This being said, further work will be needed to overcome remaining difficulties. The urgent implementation of the comprehensive country-level crisis response presented in paragraph 21 above will be a test of the system's capacity to respond to the challenge of the crisis in the most vulnerable countries and populations.

40. In addition, the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development stressed the danger of resuming a cycle of unsustainable indebtedness. This echoed the Doha Review Conference, which requested continued progress on improving the effectiveness of the debt sustainability framework. In that respect, the United Nations system agencies are well placed to undertake a coordinated response to avoiding the re-emergence of unsustainable indebtedness and in assisting countries to craft trade and capital account measures when facing an acute and severe shortage of foreign reserves. At the global level, progress on improving the effectiveness of the debt sustainability framework will be critical. Coordination among United Nations system agencies in working with countries to strengthen their tools for countercyclical policies will also be important.

V. Conclusion

41. The United Nations system has made considerable efforts to establish mechanisms that allow for a coordinated response to the world economic and financial crisis. This has enabled the system to respond immediately to the

provisions of the outcome document of the Conference on the World Financial and Economic Crisis and Its Impact on Development, which is a powerful and inspiring call for action. Through CEB and other mechanisms, as applicable, the system will continue to enhance its coordinated response, focusing on implementation at the global and regional levels and, most importantly, the country level, in cooperation with the national authorities concerned. Efforts will be made to establish interlinkages among the various initiatives and promote partnerships that will maximize the positive impact on the ground.

42. On all these issues, important challenges still need to be overcome, at the intergovernmental and the operational levels. Support by Member States to these efforts is therefore crucial to ensure that a difference is made on the ground.

Annex

Communiqué of the United Nations System Chief Executives Board for Coordination of 5 April 2009

We, the United Nations System Chief Executives, are meeting at a time of the worst global financial and economic crisis since the Great Depression of the 1930s. What began as a collapse of the United States sub-prime mortgage market has quickly spread through global financial markets impacting the real economy, undermining consumer and business confidence and triggering further contraction in demand. World trade is falling and commodity prices have declined sharply. The world faces multiple financial, economic and social crises compounded by vulnerability from earlier food and energy crises. Livelihoods of rural and urban poor families are deteriorating rapidly. Jobs are being lost everywhere at an alarming pace. The crisis will affect all countries with a serious and disproportionate impact on the poorest. Accelerating trends of climate change present unprecedented new risks and demand a fundamental reorientation of production and consumption patterns. It is imperative that we turn this crisis into an opportunity for a sustainable future.

We welcome the historic decisions of the recent G-20 Summit and the commitment of $1.1 trillion of additional resources to address the crisis. We underscore the central importance of a truly global stimulus, strengthened financial regulation and oversight to prevent a recurrence of the crisis and the need for coordinated policies to ensure that all available resources for stimulus have the maximum global impact. We welcome the strong emphasis of the G-20 on assisting developing countries on keeping open trade, and on the additional financing for trade. However, specific commitments to additional resources are also required to assist the poorest, while avoiding the risk of resuming a cycle of unsustainable indebtedness.

The social effects of the crisis are already disturbing and could worsen. If action is not taken urgently, it can be devastating for the most vulnerable and voiceless, with growing social insecurity and displacement of people. The achievement of the Millennium Development Goals is at stake. Progress in reducing poverty and hunger in developing countries is being set back. The 850 million people already suffering from chronic hunger in 2006 will increase to around 1 billion in 2009. The middle class in many countries is being weakened. The vulnerable groups — children, women, youth, elderly, migrants and people with disabilities — are hit the strongest.

Even before the onset of the current financial crisis, significant challenges existed in terms of food, education, health, water and sanitation, housing and minimum welfare for the most needy. Poverty and deprivation define the lives of too many.

In the face of this unfolding crisis, the multilateral system must deploy all its resources and capacities in a rapid and effective response, while upholding the principles, values and goals to which the international community has committed. Open economies and societies must be defended to avoid the risk of reverting to inward-looking policies, protectionism and even xenophobia. Human rights, democracy, social justice and peace must be preserved.

CEB underlines the risk of a reduction in development assistance at this time and the need to ensure that all efforts are made to prevent a global economic crisis from becoming a humanitarian and security crisis of potentially immense proportions. CEB reiterates that the commitments made earlier to increase official development assistance must be met. This means that donors will deliver at least $300 billion in aid over the next two years.

International policy coordination is crucial. The crisis is multidimensional and calls for policy coherence at global, regional and national levels. It is impacting countries differently and requires policy responses specific to national priorities. We call upon stakeholders to build on the current momentum of intensified multilateral cooperation in order to promote a fully inclusive framework of global governance.

The capacity of Governments to design, afford and implement the right policies, while coordinating them with international partners, must be strengthened. The multilateral system plays a central role in articulating and delivering a global and coherent response to the crisis, and in translating it into action at the country level. At the country level, United Nations and IMF/World Bank representatives should work together in a joint and complementary approach to the crisis.

We, the United Nations System Chief Executives, are determined to take decisive and urgent action. In view of the multiple facets of the crisis and our collective mandates and responsibilities, we have agreed on nine joint initiatives. This common commitment is designed to assist countries and the global community to confront the crisis, accelerate recovery and build a fair and inclusive globalization allowing for sustainable economic, social and environmental development for all, while facing the future in a spirit of conviction of the need for transformational change:

1. **Additional financing for the most vulnerable**: advocating and devising a joint World Bank-United Nations system mechanism for the common articulation and implementation of additional financing, including through the World Bank-proposed Vulnerability Fund;

2. **Food security**: strengthening programmes to feed the hungry and expanding support to farmers in developing countries;

3. **Trade**: fighting protectionism, including through the conclusion of the Doha round and strengthening aid-for-trade initiatives and finance for trade;

4. **A Green Economy Initiative**: promoting investment in long-term environmental sustainability and putting the world on a climate-friendly path;

5. **A Global Jobs Pact**: boosting employment, production, investment and aggregate demand, and promoting decent work for all;

6. **A social protection floor**: ensuring access to basic social services, shelter, and empowerment and protection of the poor and vulnerable;

7. **Humanitarian, security and social stability**: emergency action to protect lives and livelihoods, meeting hunger and humanitarian needs, protecting displaced people and shoring up security and social stability;

8. **Technology and innovation**: developing technological infrastructure to facilitate the promotion and access to innovation;

9. **Monitoring and analysis**:

- Strengthening macroeconomic and financial surveillance and implementing an effective economic early warning system
- Urgently establish a United Nations system-wide vulnerability monitoring and alert mechanism to track developments, and report on the political, economic, social and environmental dimensions of the crisis.

Policy coherence and coordination are essential. Promoting coordination of strengthened financial oversight and of economic stimulus packages will enhance their overall effectiveness; and providing relevant policy advice on countercyclical policies will contribute to protecting people, accelerating the way out of this crisis and preventing its recurrence.